



U.S. Department of Justice

United States Attorney  
Southern District of New York

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The Silvio J. Mollo Building  
One Saint Andrew's Plaza  
New York, New York 10007

May 28, 2021

**VIA ECF AND EMAIL**

Honorable Lorna B. Schofield  
United States District Judge  
Southern District of New York  
40 Foley Square  
New York, New York 10007

**Re: *United States v. Sohrab Sharma et al.*, 18 Cr. 340 (LGS)**

Dear Judge Schofield:

Pursuant to this Court's Order of May 10, 2021 (Dkt. 493) in this case, the Government and seven victims of the defendants' fraud on Centra Tech, Inc. investors (the "Claimants") who have filed an amended third-party petition pursuant to 21 U.S.C. § 853(n) in this case (the "Amended Petition") respectfully submit this letter to update the Court on the status of efforts to settle the Amended Petition without further litigation.

Mindful of the Court's suggestions that the Government and the Claimants engage in settlement discussions in an effort to reduce unnecessary delays in the planned remission process that would facilitate compensation to the many victims of the defendants' fraud, the parties are actively conferring regarding the possibility of reaching a settlement to resolve the Claimants' Amended Petition and continue to make progress toward reaching a potential settlement. As described in the parties' May 7, 2021 status update to the Court (Dkt. 492), the Government has proposed to the Claimants the terms of a settlement that the Government is prepared to recommend to the Department of Justice's Money Laundering and Asset Recover Section ("MLARS"), whose approval is required for any potential settlement. Since receiving the Government's proposal, counsel for the Claimants have been actively conferring with their clients about the proposed settlement.

In order to afford Claimants' counsel additional and adequate time to confer with their clients, and the parties additional time for productive settlement discussions which could obviate the need for further motions practice, the parties respectfully request that the Court adjourn the current briefing deadlines in this ancillary proceeding by an additional two weeks.<sup>1</sup> The parties

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<sup>1</sup> The recent notice of appeal filed by defendant Sharma indicating his intention to challenge both his conviction and sentence (Dkt. 474) will at least temporarily delay the initiation of the planned remission program to compensate victims of the defendants' fraud. Because the forfeiture of all of the Seized Ether Units and all of the proceeds from their liquidation is predicated on Sharma's criminal fraud conspiracy convictions, MLARS cannot initiate a remission program as to any of those proceeds (including the \$27.2 million in forfeiture proceeds that are indisputably not demanded by any claims in the Amended Petition) and the Government cannot use any of those proceeds to settle the Claimants' Amended Petition unless and until Sharma's appeal as to his

agree and propose that the anticipated motions – the Government’s motion to dismiss the Amended Petition and motion requesting permission to begin the remission process as to a portion of the forfeited Ether – be briefed in parallel on the following schedule:

- Government's moving papers due on June 21, 2021.
- Claimants' response due on July 12, 2021; and
- Government's reply due on July 26, 2021.

For the reasons set forth above, Claimants and the Government respectfully request that the Court adopt the briefing schedule that the Government and the Claimants have jointly proposed. In addition, the Claimants and the Government respectfully propose to provide the Court with an update regarding potential settlement discussions by June 11, 2021.

Respectfully submitted,

ILAN T. GRAFF  
Attorney for the United States  
Acting Under 28 U.S.C. § 515


by: \_\_\_\_\_ /s/  
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cc: Donald J. Enright, Esq.  
All other counsel of record

The application is GRANTED. By **June 21, 2021**, the Government shall file its motion to dismiss and motion to begin the remission process as to a portion of the forfeited Ether. By **July 12, 2021**, Claimants shall file their opposition. By **July 26, 2021**, the Government shall file its reply. By **June 11, 2021**, Claimants and the Government shall file a status letter providing an update as to settlement discussions.

SO ORDERED

Dated: June 1, 2021  
New York, New York

  
LORNA G. SCHOFIELD  
UNITED STATES DISTRICT JUDGE

conviction is withdrawn or dismissed, his conviction is affirmed on appeal, or an alternative legal basis for the forfeiture is established. Although counsel for defendant Sharma and the Government considered and discussed options for reaching a stipulation or another mechanism that would establish an alternative basis for the forfeiture that would not depend on the outcome of Sharma's pending appeal, the parties were, unfortunately, unable to find a legal mechanism that would allow them to do so. Accordingly, the extended deadlines for motions practice requested in this letter as to this ancillary litigation will not delay the use of the Ether sale proceeds to compensate the Claimants or other victims or otherwise cause undue prejudice to them.